

**Commerce
Tourism**

| | Revised FY 2006 | Requested FY 2007 | Requested FY 2008 | Recommended FY 2007 | Recommended FY 2008 |
|-------------------------------------|--------------------|----------------------|----------------------|------------------------|------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 8,606,200 | 9,267,700 | 16,492,000 | 7,130,500 | 7,176,500 |
| Salary Compensation Fund | 117,100 | | | | |
| Base Deduction | -692,700 | | | | |
| Total General Fund | 8,030,600 | 9,267,700 | 16,492,000 | 7,130,500 | 7,176,500 |
| Restricted Funds | | | | | |
| Balance Forward | 204,000 | 204,000 | 204,000 | | |
| Current Receipts | 8,000,000 | 8,000,000 | 8,000,000 | 7,700,000 | 8,200,000 |
| Non-Revenue Receipts | | | | 1,000,000 | 1,000,000 |
| Fund Transfers | -204,000 | | | | |
| Total Restricted Funds | 8,000,000 | 8,204,000 | 8,204,000 | 8,700,000 | 9,200,000 |
| TOTAL SOURCE OF FUNDS | 16,030,600 | 17,471,700 | 24,696,000 | 15,830,500 | 16,376,500 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 5,640,300 | 6,890,600 | 7,130,800 | 5,723,100 | 5,788,300 |
| Operating Expenses | 1,211,700 | 1,035,000 | 1,035,100 | 1,211,700 | 1,211,800 |
| Grants, Loans or Benefits | 9,178,600 | 9,342,100 | 9,342,100 | 8,895,700 | 9,376,400 |
| Debt Service | | | 6,984,000 | | |
| TOTAL EXPENDITURES | 16,030,600 | 17,267,700 | 24,492,000 | 15,830,500 | 16,376,500 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 8,030,600 | 9,267,700 | 16,492,000 | 7,130,500 | 7,176,500 |
| Restricted Funds | 8,000,000 | 8,000,000 | 8,000,000 | 8,700,000 | 9,200,000 |
| TOTAL EXPENDITURES | 16,030,600 | 17,267,700 | 24,492,000 | 15,830,500 | 16,376,500 |
| EXPENDITURES BY UNIT | | | | | |
| Executive Policy and Management | 752,700 | 1,066,200 | 1,111,700 | 855,900 | 866,900 |
| Tourism Services | 1,787,500 | 2,177,700 | 2,281,400 | 1,740,500 | 1,772,400 |
| Marketing and Advertising | 4,052,700 | 4,487,500 | 4,564,500 | 4,052,700 | 4,052,700 |
| Sports Authority | 437,700 | 536,300 | 7,534,400 | 481,400 | 484,500 |
| Marketing/Development Coal Counties | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Convention/Meeting | 8,000,000 | 8,000,000 | 8,000,000 | 7,700,000 | 8,200,000 |
| TOTAL EXPENDITURES | 16,030,600 | 17,267,700 | 24,492,000 | 15,830,500 | 16,376,500 |

The Department of Tourism was created to promote, develop, and provide support services for the tourism industry within the Commonwealth.

The Executive Policy and Management program establishes the policies and goals; coordinates the overall planning, management, and direction for the agency; and provides for the efficient administration of the Department and its programs.

The Tourism Services Division operates welcome centers in Florence, Franklin, Grayson, Hopkinsville, Paducah, Simpsonville, Shepherdsville, and Williamsburg; generates sales revenue to Kentucky's tourism industry through trade show participation and pursuit of group, commercial, and individual markets; and disseminates tourism information to tourists and potential visitors via a telephone system, direct mail, and the welcome centers. The goal of the Tourism Services Division is to conduct a comprehensive travel promotion campaign and to serve Kentucky's private sector tourism industry. This program also markets and promotes Kentucky to the film industry to attract television and feature movie productions to the state.

The Marketing and Advertising Division develops and coordinates state tourism advertising and tourism media placement; coordinates and produces tourism brochures and sales promotion materials; assists non-profit private sector groups with advertising and promotion costs through matching funds and cooperative advertising programs; develops and maintains the department's website (www.kentuckytourism.com); and develops and maintains a marketing and research data base on Kentucky's tourism industry. The goal of this program is to develop, coordinate, and maintain a comprehensive advertising campaign to promote Kentucky as a tourism destination.

House Bill 272 of the 2005 General Assembly established a one percent transient room tax and dedicated the revenue from that tax to a new fund titled The Tourism, Meeting, and Convention Marketing Fund. The Tourism, Meeting, and Convention Marketing Fund shall be used for the sole purpose of marketing and promoting tourism in the Commonwealth including expenditures to market and promote events and venues related to meetings, conventions, trade shows, cultural activities, historical sites, recreation, entertainment, natural phenomena, areas of scenic beauty, craft marketing, and any other economic activity that brings tourists and visitors to the Commonwealth. This new fund shall not support expenditures on capital construction projects.

The Kentucky Sports Authority is established pursuant to KRS 148.590. Its primary responsibility is to recruit, promote, assist, place, and develop sporting events, facilities, and programs in the Commonwealth, with the ultimate goal of developing commerce, the economy, job opportunities, and revenue streams. The Kentucky Sports Authority has been very successful with recruiting events like Dew Action Sports, Bassmaster Tournaments, and the National Senior games to the Commonwealth. The authority has also been very involved with the proposed development of a new multi-purpose arena in Louisville.

Policy

The Governor's recommended budget includes \$1,000,000 in Restricted Funds in both fiscal year 2006-2007 and fiscal year 2007-2008 for tourism marketing and development on behalf of coal producing counties. The money originates from the calculations for the Local Government Economic Development Fund, Multi-county Fund.